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Re: Early feedback on Stewardship Ontario's Amended Blue Box Plan Proposal

The undersigned environmental and public interest groups expect an effective approach to resource management in Ontario that reduces environmental harm and impacts on human health. The goal of zero waste must be upheld in the amended Blue Box Program Proposal (A-BBPP).

We support the following:

- directions in the Minister's letter, especially those related to improved environmental performance and waste reduction
- the Resource Recovery and Circular Economy Act (RRCEA) and the goals of full individual producer responsibility and a circular economy.
- a fair, equitable, timely and effective transition of responsibility for existing municipal blue box programs to individual producer stewards
- the provincial standardization of blue box program services and designated materials
- the development of enforceable performance targets by material and by municipality
- detailed and transparent auditing, reporting and evaluation to ensure public transparency and accountability.

We have serious concerns however, based on the information provided in Stewardship Ontario's (SO) early consultation on their Amended-Blue Box Plan Proposal (A-BBPP). The minimal information that we have seen is not entirely consistent with the spirit of the goals and intent of the RRCEA. Key changes need to be addressed to ensure the amended Blue Box Plan makes any environmental progress beyond the current system.

These changes are summarized here and detailed below, including:

- Include a mechanism or trigger to end this transition plan, to ensure a full transition to EPR under the RRCEA as soon as possible
- Increase the total recycling rate target to 80% and increase the material specific target for plastics to 75%.
- Develop a strong and transparent mechanism, with timelines and consequences, to address problematic materials. If they still can't be recycled or collected effectively after a set time, they should be subject to a ban.
- The A-BBP needs a plan to identify and address the serious issue of hazardous and toxic substances in materials that, through processing, are recycled into new products.
- Address compostable packaging immediately - identify methods to collect and manage compostable products not managed by municipal systems
- Ensure that promotion & education (P&E) is effective, well-funded and regularly evaluated to reduce contamination and reach all Ontarians.

1.0 TRANSITION APPROACH

The proposed A-BBPP as presently discussed takes steps in the right direction, but won't move Ontario towards an effective circular economy. While SO has demonstrated the complex process of transitioning municipalities, producers and processors into an amended Blue Box program, it does not provide sufficient information or assurance that this will facilitate a transition out of this plan to a new full Extended Producer Responsibility (EPR) system under the RRCEA.

Without quick transition, the A-BBPP will face many of the same problems with a lack of producer responsibility in the current system, and may become entrenched making it harder to make the most important transition to a full EPR and circular economy system. The vision presented to date appears to focus primarily on early transition without a clear timetable or mechanism to take the second step to individual producer responsibility.

Recommendation: The A-BBPP should include an end date or a trigger to transition to full EPR under the RRCEA and to have components that make the transition to full EPR easier.

We also have concerns about the lack of competition that this A-BBPP sets in place in terms of service provision and meeting obligations. The spirit of the RRCEA is to leverage innovation and market forces to improve environmental performance, and this requires rewarding stewards that are innovative in meeting their obligations and eliminating penalties that discourage innovation.

Recommendation: The A-BBPP needs to immediately promote innovation and competition, for example, by allowing individual producers to meet their obligations if they offer take back systems.

2.0 ENVIRONMENTAL PERFORMANCE

A key goal of the RRCEA is to improve environmental performance of Ontario's resource management and to fundamentally shift how resources are managed in Ontario. From what we've seen, however, the environmental performance measures outlined are insufficient to do that.

The management of materials and calculation of recycling and diversion in the A-BBP should be consistent with the goals of zero waste, and promoting a circular economy, that is, that materials are reused or recycled into new materials of the same, or higher quality. As we have stated in the past, Ontario needs to push for the highest and best use of materials at the end of life, and definitions in regulation and policy statements for recycling should reflect this.

We support the Minister's direction that collected materials shall be: *reused, used in the making of new products, packaging or other activities in end-markets, or used as a nutrient for improving the quality of soil, agriculture or landscaping.*

In consultation sessions, SO outlined an overarching approach to calculating diversion that looks at downstream destination of materials, excluding residuals and contamination. Pending further details, we support this approach in principle.

Recommendation: Ensure that recovery and diversion rates are measured by quantity of materials that are actually reused, recycled or reintegrated into valuable materials.

However, the information we have seen lacks clarity on how this new measurement and definition for recovering materials will be measured and verified, by whom and how it will be reported and available for public review.

Registration, inspection and auditing of processing facilities, downstream (secondary or later) processors, and final end-markets are essential to provide accurate information and accountability on actual diversion rates. This information is essential to demonstrate environmental performance, inform market development, packaging design and collection methods.

Public reporting of material end markets by materials is crucial to accountability and the public interest to prove that the diversion approach is effective. This information is also crucial for informed policy-making and stakeholder decision-making for the transition to EPR under the RRCEA.

Recommendation: The A-BBPP should include extensive material tracking, auditing and evaluation to calculate diversion and include measures to ensure transparency and accountability to demonstrate environmental performance.

2.1 Performance targets for recycling are too low

We are glad to see the Minister's direction to increase the diversion performance of the Blue Box in Ontario to 75%. Nevertheless, this target is low and the A-BBPP lacks a timeline of how to achieve it.

In the consultation session, SO noted that they expected to achieve 75% recycling within two years of SO assuming collection and processing responsibilities, however there was no mention of increasing targets beyond the initial two years. Considering this A-BBPP is expected to take 5 or more years, the A-BBPP should outline plans to make continual improvement.

Recommendation: To truly have an impact on the environmental performance of the Blue Box there needs to be a higher overall performance target (80%) and a timeline for achieving this.

The proposed diversion rate targets for each material type as presented in the slides was a serious disappointment, and pose two major problems: the categories are too broad, and the targets are too low.

First, the categories should be disaggregated for targets to reflect the broad range of material types used for packaging and products that are not captured here. For example, multi-layered pouches or boxes that include various plastics, metal and paper, and a breakdown of plastic types.

Plastics in particular includes a wide range of plastic materials, some with much higher diversion rates than others. Isolating the resin types with separate targets will provide the information necessary for the public and stewards to identify problem areas, and incent innovation in collection and processing.

Recommendation: Create disaggregated material diversion targets

The proposed target of 40% for plastics is far too low considering the environmental impact of plastics. Plastics pose significant environmental harm as they are made of non-renewable fossil fuels, and they pose significant environmental harm to our waterways, land and health when not captured effectively.

Plastics have consistently low recycling / diversion rates in Ontario, and the A-BBPP should not maintain the status quo, continuing to offload plastic products and packaging onto municipalities and our environment.

Innovation and aggressive action to dramatically increase plastic recycling is consistent with the goals of the RRCEA and the Minister's direction letter. Much higher plastics diversion rates are possible, and being achieved in other jurisdictions given the right tools and incentives. For example, while only 50% of non-refillable drink containers are recycled in Ontario despite widespread Blue Box access, in Canadian provinces with deposits on all drink containers the recycling rate is much higher - 86% in Saskatchewan, 84% in BC. (CM Consulting 'Who Pays What' report 2016).

These systems are proof that there are functioning and effective systems that achieve higher rates of plastic diversion. As such, there can be no justification for such a low target.

Recommendation: Increase the material specific target for plastic to 75%.

In an effort to make continual improvement and increase environmental protection, the A-BBPP should include regular reviews. Recycling rates and provincial, municipal and material specific targets should be reviewed regularly in light of such issues as actual program performance, technology improvements and market development. Such a review should take place every 2 years.

Recommendation: The A-BBPP should include a formal process to review and revise overall recycling rate targets by material every 2 years.

SO has indicated that during the transition, a standardized list of targeted materials will be collected across Ontario, and that a number of materials will not be targeted during the transition phase to ease the transition and ensure high quality recycling. Currently non-targeted materials are those that are difficult to collect, have insufficient end markets produce poor quality end uses, and that cause contamination in the stream. Notably, virtually all non-targeted materials presented at the consultation session are plastic materials.

We understand the need to manage the transition, however have concluded that there needs to be a time limit or a clear staging plan for non-targeted materials to be included in the diversion efforts.

Additionally, to ensure a seamless transition and reduce public confusion, it is undesirable for municipalities to reduce the materials collected, thereby reducing services to Ontarians. As the A-BBPP is a temporary plan meant to transition to full EPR under the RRCEA, dramatic changes to materials collected in municipal blue box should be avoided, as they will result in confusion, or reduce confidence in the blue box system.

Recommendation: The A-BBPP should avoid reducing the materials collected in municipal blue box programs, and work to expand the list of materials collected as broadly as possible.

2.2 Problematic (non-targeted) materials & waste reduction

As the goal is to eliminate waste and to create a circular economy, this plan and the new Act must address and eliminate problematic materials that have no high value end markets, or that cause contamination and problems for other materials, or that can cause environmental or human health impacts.

We strongly support the Minister's direction regarding reducing waste and eliminating problematic materials. Addressing reduction is complex, and we are glad to see that it is a key issue. The Minister's direction letter stated: *"Use means to discourage the use of materials that are difficult to recycle and have low recovery rates; and, • Establish mechanisms to identify and address issues associated with problematic materials, such as packaging that is difficult to recycle."*

To do this, the A-BBPP needs to provide the levers and incentives to push for better product design, reducing packaging and increased recyclability.

During the consultation sessions, SO described the formation of 'collaboration forums' between stewards and processors to evaluate and address problematic materials to bring them into the system by identifying new collection methods, creating new end markets etc.

While this is a good starting point, and collaborative approaches are essential, this is wholly insufficient to deal with problematic materials. During the November 17, 2017 ENGO consultation, SO representatives noted that, to their knowledge, differential packaging fees and collaboration forums formed to address problematic materials in BC had not resulted in packaging redesign or changes, but had only resulted in innovation or alternative collection and processing methods.

Recommendation: The A-BBPP needs a clear mechanism to address problematic materials as quickly as possible.

- **Work should begin immediately for materials already identified as problematic: those on the non-targeted material list**
- **Deadlines should be used to drive innovation and problem-solving for problematic materials.**
- **Problematic materials that cannot be addressed by the deadline should be banned.**

As directed by the Minister, the A-BBP needs to outline ‘*effective economic methods to incent behaviour changes leading to waste reduction of PPP*’. This should include an aggressive fee structure that provides significant fee differences for materials that are not easily diverted or recycled. This should also include an annual fee review that evaluates whether the fees are incenting behaviour change and waste reduction choices by stewards, including product redesign or product choices.

Recommendation: The A-BBPP steward fee structure must provide sufficient incentive to reduce waste. The fee structure should be reviewed regularly to ensure it is having the desired effect.

2.3 Toxic substances

The Minister’s direction letter directs SO to develop an A-BBPP that supports the “[r]eduction or elimination of the use of any substance in the material that compromises the materials reusability or recyclability”. This cannot be done without considering hazardous substances in materials that can limit the safe downstream reusability or recyclability of materials.

Currently, the A-BBPP lacks a plan to tackle the issue of hazardous substances, including in packaging and products targeted for recycling. The ENGO community has repeatedly raised concerns about toxics in the circular economy - chemicals and toxic ingredients from one product can get inadvertently recycled into new products without better controls.

A key solution is to fully phase out the use of toxic substances in the production and treatment of materials. Regardless, toxic substances that are already on the market and incorporated in materials (e.g. plasticizers) need to be addressed, especially in materials management. As our knowledge about chemicals emerges, we lack control mechanisms to manage materials at the end of life to ensure that materials containing toxic ingredients are identified, and processed separately from other materials For example:

- International studies have found children’s toys that include neurotoxic flame retardants as a result of using recycled plastic that included flame retardant residue.
- Some forms of expanded polystyrene foam may contain PBDE flame retardants that are persistent, toxic to humans and the environment and that bio-accumulate in the food chain. Without controls, this could end up in polystyrene recycling facilities.
- Canada has banned the use of BPA in baby bottles because it is a recognized endocrine disruptor that can affect human hormones in high dose. Yet, it is widely used in a range of product packaging, including food packaging and also in thermal paper (sales receipts). When paper pulp containing BPA is recycled, it stays in the system and continues to expose users of paper with potential negative health impacts.
- One example is polyvinyl chloride. PVC is the most toxic plastic to manufacture, it requires toxic plasticizers and stabilizers (these leach out of products), PVC emits volatile vinyl chloride (a highly toxic chemical), and it is difficult to re-use or recycle. This material should be among the first to be banned from packaging, as there is no unique need for PVC.

As we push forward to develop a circular economy, it is essential that we consider what information, restrictions and controls we can use to prevent the perpetuation of toxic chemicals, and to deal with newly identified toxins. Some options include:

- Set rules to ensure that processing facilities do not co-process materials that may contain toxic components.
- Develop a mechanism to identify materials that include toxic chemicals, and to monitor materials that include potential emerging toxicants (chemicals that have been identified as potentially toxic)
- Create a reporting and tracking system for materials with toxic chemicals, especially in processing and end market reporting.
- Ensure that problematic material collaboration forums consider and address hazardous substances found in packaging.
- Consider alternative processing of hazardous materials in the appropriate hazardous facilities for those packaging materials that cannot be safely processed into new resources. This minimizes opportunities for re-circulating hazardous materials into manufactured products using recycled material (including plastics)

Recommendation: The A-BBPP should develop safeguards to prevent hazardous and toxic substances being perpetuated in recycling and processing.

2.4 Compostable Packaging

We are happy to see that the definition of packaging in the RRCEA was used in the consultation, a definition that looks at function, not material type, to indicate obligation. This ensures that the increasing use of compostable packaging and products will not eliminate a steward's responsibility.

Compostable packaging is a rapidly growing category of packaging, and we have serious concerns that well-meaning producers and consumers are not aware of the serious problems that compostable material poses in residential waste.

Currently, there are many compostable materials that are not accepted in municipal green bin programs. Due to the technology and timing of municipal systems, much compostable material is simply removed as residue and landfilled. For example, compostable coffee pods and plastic cutlery are promoted by producers as compostable, but not accepted in Toronto, Hamilton or Ottawa organics programs.

Plastics made of compostable material, such as PLA, pose additional problems since they can appear identical to conventional plastic resins and frequently end up in recycling systems where they contaminate the plastic material stream.

All compostable packaging should include

- Clear labelling to indicate the appropriate discard location and to avoid contamination of other streams
- International or national biodegradable certification
- Diversion targets like all other materials to drive environmental performance
- Efforts by producers to improve collection and reduce contamination of organics or recycling programs

Recommendation: The A-BBPP should outline how compostable materials will be addressed. Steward fees on compostable materials should be used to develop alternative collection systems and mechanisms to avoid contamination.

3.0 IMPLEMENTATION

As directed by the Minister, it is essential that SO develop geographically-based standards for collection and management, including rural, remote and northern areas. Expanding packaging recycling / Blue Box collection to all municipalities in Ontario, especially to remote and First Nations communities is not only an issue of environmental benefit, but also a crucial question of environmental equity. Northern and remote municipalities have fewer financial resources to manage materials and less capacity to operate recycling programs.

As the obligated stewards are profiting from the sale of their products to those communities, it should also be their responsibility to ensure that there are not collateral adverse effects, and to find solutions to recover those products at the end of life.

Recommendation: The A-BBPP needs to ensure environmental equity by expanding service to remote and First Nations communities, as early as possible.

We strongly support the Minister's direction to serve residents in multi-residential buildings. This means maintaining service to those residents who already receive service from their municipality, and rapidly expanding to those who now receive service from the private sector.

Too many Ontarians have inadequate or no recycling service, and a swift expansion of services to these residents will increase equitable access to environmental services and an opportunity for all Ontarians to reduce waste costs and impacts.

At the same time, product stewards have not been held responsible, or paid their fair share of residential packaging waste from multi-residential buildings. This means that residents are subsidizing a producer obligation, and this should end as quickly as possible.

It is essential to note that 'multi-residential' dwellings is a very broad category including townhouse complexes, community housing, low medium and high rise rentals and condominiums of varying ages. This wide variation in multi-residential building types needs to be considered in the A-BBPP and during the transition in terms of varying contamination rates, and different approaches to promotion and education.

We have concerns with the strict contamination limits suggested by SO for collectors of multi-residential waste. Multi-residential buildings typically have very high contamination of recycling streams, and this must be taken into account. Strict contamination limits and penalties could result in municipalities and collectors being reluctant to invest in recycling education and infrastructure in the face of uncertain funding, or abandoning the recycling program altogether, or receiving no stewardship funding.

Each jurisdiction faces its own challenges, and high levels of contamination cannot be used as an excuse to shift the financial and environmental costs back to municipalities or to residents.

Recommendation: The A-BBPP must use evidence based research, evaluation and innovation to set appropriate contamination thresholds and to achieve high collection rates in multi-residential buildings.

We support the A-BBPP plan to include recycling collection in other spaces to increase convenience for Ontarians and to improve environmental performance. The majority of Ontarians do not perceive or understand the differences between recycling systems at home, where they work and where they play. For example, they do not understand that recycling rules for a soft drink container they use at home may be different from the rules at a library, at the mall or at the office. There is no valid reason for the rules to be different.

Recommendation: The A-BBPP should expand recycling collection to public spaces, parks, sidewalks, malls, and publicly supported institutions (e.g. schools, universities, hospitals)

A shift to consistent material collection across Ontario will be a major step to reduce resident confusion and contamination, and we look forward to this consistency as would also be provided by full EPR under the RRCEA

That said, as requested by the Minister, the A-BBPP must include further detail on an effective promotion & education (P&E) plan, as this will play a central role to reduce contamination and to increase recycling rates in Ontario.

The SO representative in the consultation session noted an estimated \$1 per household per year as a typical cost for Blue Box education. However we would argue this significantly underestimates the cost of effective P&E, as demonstrated by the following facts:

- the high contamination rates of Blue and Green bin programs experienced in most municipalities, especially in multi-residential buildings
- the low diversion rates for a number of materials, especially plastics

Effective recycling promotion & education is complex, and requires customization of messages and approaches for the wide variety of audiences across Ontario in a wide range of housing types.

Adding urgency to the need for effective P&E is the consequences of failure to do so: contamination rates will result in penalties for collectors and offload stewards' obligations to municipalities and residents.

Recommendation: The A-BBPP should include a solid plan and more extensive budget for province-wide P&E. This should include a robust evaluation program to measure effectiveness of different P&E approaches with different audiences and a plan for continual improvements.

Recommendation: The A-BBPP should include a plan to address confusing and misleading and incorrect labelling by stewards that indicate products and packaging is recyclable or compostable when they are not collected locally/in Ontario.

The transition of Ontario's packaging recycling system is a vitally important environmental issue that must set the stage for a circular economy and a healthier environment for all Ontarians. Without the right plan municipalities - and the environment - bear the consequences and face the burden of unmet obligations.

The undersigned environment and public interest groups look forward to further consultation on this plan and hope to see improvements to address the concerns raised and detailed above.

Respectfully submitted,

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